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USDOC FOR 532/OEA/LHINES/DFARROW  
USDOC FOR 3132 FOR FCS/OIO REGIONAL DIRECTOR WILLIAM  
ZARIT  
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A  
TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETRD](#) [ETTC](#)  
SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION:  
EASTERN DRAGON EXPRESS CO. LTD.

REF: A) USDOC 01522

1.Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

12. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the USDOC Bureau of Industry and Security (BIS), Export Control Officer Philip Ankel (ECO) conducted a post shipment-verification at Eastern Dragon Express Company Limited, 23 Man Lok Street, Unit C., 6th Floor, Kowloon, Hong Kong (Eastern Dragon). The items in question are inductors exported to Eastern Dragon on or about September 8, 2006 and valued at USD 47,076. On the applicable shippers export declaration (SED), these items are classified as EAR99. Items properly classified as EAR99 may be exported/reexported to virtually all destinations and end-users worldwide, license free. The exporter was Coilcraft, Inc. of Princeton, Illinois ([www.coilcraft.com](http://www.coilcraft.com)).

13. According to the Hong Kong Companies Registry, Eastern Dragon has been in existence since 1995. It has nominal share capital (the equivalent of USD 10). The Commercial Registry lists Hong Kong Resident Card holders Pun Yue Lee and Siu Lung Keung as Directors. Another company with a similar name, Eastern Dragon Express (HK) Limited has been in existence since 2000. One of its Directors is also Siu Lung Keung. Another Director is listed as Shao Pin Keung. This company's share capital is slightly higher, though still modest (the equivalent of USD 1250). A profile of Eastern Dragon Express (HK) Ltd. on the Hong Kong Trade and Development Council's web site states that Eastern Dragon Express (HK) Ltd. is a full-service freight forwarding company with world-wide operations.

14. Commercial Assistant Sandy Lai attempted, on several occasions, to schedule the PSV with Eastern Dragon. Eastern Dragon refused to meet with the ECO asserting that information about shipments is confidential and that Eastern Dragon would only share

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such information with officials from Hong Kong Customs. After several additional calls and letters, Eastern Dragon agreed to meet.

15. On April 12, 2007, the ECO met with Mr. T.Y. Ling,

Eastern Dragon's Planning and Development Manager at the address referenced above. Mr. Ling stated that Eastern Dragon acts as a freight forwarder and that its primary client (yielding approximately 70 percent of sales) is Coilcraft. Eastern Dragon acts, in part, as a freight consolidator for Coilcraft in that Coilcraft has several manufacturing plants in China and sends components for assembly to Hong Kong to be consolidated and shipped to those production facilities.

¶6. With respect to the shipment in question, Mr. Ling provided documentation showing that the items had been received by Eastern Dragon and subsequently shipped to Coilcraft's production facilities in Xian and Shenzhen, China.

¶7. In response to the ECO's question, Mr. Ling stated that certain collocated companies at the Eastern Dragon business offices are affiliated with the owner and rent space in the overall Eastern Dragon facility. These companies are Kinetic Co. (HK), Mitax Electronics (H.K.) Company, Snow Garden International Development Limited, East Dragon Development and China Jet Express Group Ltd.

¶8. The ECO recommends that this check be categorized as Favorable.